

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:437
ANSWERED ON:22.08.2003
SETTING UP OF SPECIAL PURPOSE VEHICLE
PRABHA RAU

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government have decided to set up a Special Purpose Vehicle (SPV) for raising the debt directly from the other countries instead of raising it through the State Bank of India;
- (b) if so, the details thereof;
- (c) the amount proposed to be raised to the sovereign bonds and the purpose for borrowing the money from abroad;
- (d) whether the Government propose to prepay the residual pool currency loans from World Bank out of the money to be raised from abroad; and
- (e) the total amount of loan required to be repay World Bank and other foreign financial institutions?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

- (a) to (e) A statement is placed on the Table of the House.

Statement referred to in reply of Lok Sabha Starred Question No.437 by Shrimati Prabha Rao regarding setting up of Special Purpose Vehicle for answer on 22nd August 2003.

- (a) to (c) No, Sir.

(d) Taking advantage of the comfortable foreign exchange reserves and low domestic interest rates, the Government prematurely repaid high cost loans owed to the World Bank and Asian Development Bank totalling around US \$ 3 billion. The Government of India intends to continue with this policy.

- (e) The details of loans outstanding on Government Account to the World Bank, Asian Development Bank, other Financial Institutions and bilateral assistance as on July 31st, 2003 are given in the following Table.

Financial Institution Debt Outstanding (in US \$ billion as on 31/07/03)

1.	World Bank	25.49
2.	ADB	1.71
3.	IFAD	0.26
4.	EEC	0.04
5.	OPEC	0.02
6.	Bilateral Assistance	14.05

Total: 41.57